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NSC BRIEFING

27 June 1955

I. Western European governments, except Italy's remain generally stable.

A. In Italy, where the Scelba cabinet fell on 22 June, a prolonged period of maneuvering to form a new government is in prospect.

1. Former agriculture minister Scegni, a left wing Christian Democrat, was asked by President Gronchi on 26 June to form a new government but has postponed his reply until 30 June.

a. If Scegni decides to make the attempt, he will probably try to reconstitute the coalition with the minor center parties.

b. The center parties are, however, increasingly uneasy over their loss of popularity during their long period of association with the Christian Democrats and the stalemated social reform program of the Scelba government.

2. The most likely long-range prospect is an all-Christian Democrat cabinet based on parliamentary support from either the Monarchists or the Nenni Socialists.

a. Even such a government, however, would be beset by cleavages between the Christian Democratic party's left and right wings.

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- (1) The left wing has predominated since the 1953 elections, but has not been able to maintain full discipline in the parliamentary group.
- (2) The right wing, where much of the wealth is concentrated, remains influential and along with the small Liberal party, has been able to block Scelba's reform program.

b. The Christian Democrats, who were encouraged by their success in the Sicilian elections of 5 June, apparently hope to consolidate their strength before next year's local elections.

- (1) They may then decide to try national elections during the same year.

3. The period of instability thus in prospect will probably mean no important changes in foreign policy, but continued delay is to be expected in the Assembly's ratification of the NATO status of Forces agreement.

B. In France, the Faure government is expected to have no serious difficulty in lasting through the summer recess which is scheduled to start on 15 August.

1. Barring an unprecedented outburst of terrorism in Morocco, the appointment of Grandval as resident general should ensure a parliamentary breathing spell until that time.
2. Some danger threatens on the labor front.

- a. Current spate of local strikes indicates general labor dissatisfaction.
- b. French civil servants and postal workers threaten a nationwide strike on 1 July, maintaining that the wage increase proposals discussed during the past week by the Faure cabinet are inadequate.
- c. Government decrees on the wage problem are, however, forthcoming.